



USACE Defense Base Act Insurance Pilot Program Phase II

Worker Compensation Insurance
Program Rules and Regulations



Overview

- What is DBA Insurance
- When DBA Insurance is Required
- Background/History
- Objectives of the Program
- PARC Instruction Letter (PIL) 2007-02
- If Premiums are Not Paid...
- Points of Contact



DBA Insurance

- What is DBA Insurance?
 - Congressionally mandated workers compensation insurance effective since 1941
 - 42 U.S.C. Sections 1651-1654, as amended
- It's the Law
 - Contractors **MUST** buy DBA insurance for its employees working outside the 50 states.
 - Unless under a self-insurance program approved by DOL or subject to a waiver (see FAR 28.305)



DBA Insurance

- The USACE-wide contract was awarded to Continental Insurance Company (CNA)
- CNA must be utilized whenever the contractor either obtains new DBA insurance or renews its existing DBA insurance
 - Why? Because this is a requirements contract
 - There is no discretion to accept coverage from another insurer, even if the price is lower
 - Otherwise, USACE will be in breach of its contract with CNA, and can be sued for damages by CNA



When is it Required?

- For Contractors and Subcontractors unless waived by DOL
- DOL Policy Letter for DoD is forthcoming –
 - Changes/Clarifications in Waivers
- A waiver can be requested from DOL
 - IAW FAR 28.305
- No waiver if:
 - Hired in the US
 - Resident of the US
 - Citizen of the US
 - If no Local Compensation Law Exists in Country



Background/History

- Why does the USACE Pilot Program exist?
 - After 9/11 insurance costs became unaffordable for many companies, as much as \$150 per \$100 Compensation
 - Needed to find a way to help companies follow the law of providing insurance
- Contract Information
 - Second year of a two-year Pilot Program
 - 1 April 2007 through 31 March 2008
 - The reduced fixed rates are now:
 - Services - \$3.50 per \$100 Compensation
 - Construction - \$7.25 per \$100 Compensation



Objectives of the Program

- To make DBA coverage affordable
- Similar to USAID & Dept. of State Programs
- Risk Pooling
- Centrally Managed
- Develop Business Case Analysis

PARC Instruction Letter (PIL) 2007-02



- Mandates that USACE contractors purchase DBA insurance (including renewals) under the USACE requirements contract with CNA
- Provides revised local provisions to be incorporated in all solicitations and contracts
- PIL provided during the OC briefing
- KO's verify policy before issuing NTP



If Premiums are Not Paid...

- It is the KO's responsibility to ensure that the Contractor and its Subcontractors maintain DBA coverage *with **CNA***
- Get a copy of the paid Invoice within 30 days
- If a contractor fails to maintain coverage
 - KO can withhold progress payments
 - Terminate the contract for default
 - Issue a Stop Work Order
 - Poor past performance - CPARS



Points of Contact

- Contracting Office
 - Contracting Officer/Procurement Analyst PARC-WIN:
 - Lynn Harper (540) 665-3998 lynn.harper@us.army.mil
 - Contract Specialist - HECSA
 - Susan Burchell (703) 438-8487 susan.m.burchell@usace.army.mil
- USACE Project Manager
 - Bunnatine Greenhouse:
 - (202) 761-7169 bunnatine.h.greenhouse@usace.army.mil
- Department of Labor
 - Miranda Chiu (202) 761-7169 Chiu.miranda@dol.gov
 - Waiver Questions
 - John Chamberlain (202) 693-0925 Chamberlain.john@dol.gov



Points of Contact (cont.)

- Rutherford International – Insurance Broker for CNA Insurance
 - USACE DBA Administrator
 - Ramoan Jones (703) 813-6543 romoan.jones@rutherford.com
 - Senior Vice President
 - Sara Payne (703) 813-6503 sara.payne@rutherford.com